

## **BILL ANALYSIS**

Senate Research Center  
79R7231 JMM-F

H.B. 2273  
By: Cook, Byron (Fraser)  
Business & Commerce  
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Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

In 2001, due to the change from the Standard Industrial Code to the North American Industrial Code, the legislature had to change the statutory formula for calculating the maximum and minimum weekly benefit amounts. The switch in methodology caused an unusually high increase in the maximum benefit amount in 2001. Large increases in the maximum and minimum weekly benefit amounts can cause significant impact to the unemployment compensation fund.

The proposal to round down weekly benefit amounts protects the unemployment compensation fund balance and reduces the burden on employers.

Taking the Texas Workforce Commission (TWC) out of approving counsel and agent fees removes a rarely used limitation in the Labor Code, and the reference to federal law is obsolete.

H.B. 2273 has several purposes. The cap on the increase in the maximum and minimum weekly benefit amounts serves as one means of controlling large jumps in benefit outlays from year to year. Savings for the unemployment compensation fund will result from new rounding down provisions for weekly benefit calculations. The little-used TWC authority to approve counsel and agent fees representing a claimant is an unnecessary restriction on private matters, and the removal of an obsolete reference is standard procedure.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 207.002, Labor Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

(c) Requires the Texas Workforce Commission (TWC), if a benefit amount computed under this subsection includes cents, rather than not being a multiple of \$1, to adjust, rather than increase, the benefit amount in a certain manner.

(c-1) Prohibits an increase in the maximum weekly benefit amount from exceeding \$14 in any year. Prohibits an increase in the minimum weekly benefit amount from exceeding \$1 in any year.

SECTION 2. Amends Section 207.007(b), Labor Code, to authorize counsel or an agent representing an individual under this subtitle to charge and collect, rather than receive, a fee for the counsel's or agent's services. Deletes existing text relating to the amount of the fee.

SECTION 3. Amends Section 207.101(a), Labor Code, to make a nonsubstantive change.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2005.